

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**APRIL 7, 2016**  
**AGENDA**

1. Call meeting to order
2. Approval of Minutes from the TSSBA meeting of March 10, 2016
  - Consideration of proposals received for the selection of bond counsel
  - Adjourn

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**MARCH 10, 2016**

The Tennessee State School Bond Authority ("TSSBA" or the "Authority") met on Wednesday, March 10, 2016, at 2:20 p.m., in the Legislative Plaza, Room LP-29, Nashville, Tennessee

The following members were present:

Honorable Justin Wilson, Comptroller  
Honorable Tre Hargett, Secretary of State of Tennessee  
Honorable David Lillard, State Treasurer  
Angela Scott, proxy for Larry Martin, Commissioner of Finance and Administration  
Acting Chancellor David Gregory, Tennessee Board of Regents  
Acting Treasurer Ron Maples, proxy for Dr. Joe DiPietro, President, University of Tennessee

The following member was absent:

Honorable Bill Haslam, Governor

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and asked for a motion to approve the minutes of the meeting held on January 20, 2016. Mr. Hargett moved approval of the minutes. Ms. Scott seconded the motion and it was unanimously approved

Mr. Wilson stated that the next item on the agenda was the recommendation of revisions to the Tennessee State School Bond Authority's Debt Management Policy (the "Policy"). Mr. Wilson stated the revisions to the Policy were mostly for clarification purposes. Mr. Wilson stated that the Policy had been updated to include a definition for the revolving credit facility as a type of short-term debt that the Authority can issue and to add credit provider as a type of professional whose services the Authority may engage. Mr. Wilson also noted that some minor revisions were made to the professional services section regarding bond counsel services. Mr. Wilson stated that the Policy had also been updated to reflect the implementation an annual review of post-issuance compliance as a part of the bond financing post-sale activities. Mr. Wilson asked for comments. There were none. Mr. Hargett moved approval and Mr. Gregory seconded the motion. Mr. Wilson asked if there was other business to be presented to the Authority. Hearing none, he adjourned the meeting.

Approved on this \_\_\_\_ day of \_\_\_\_\_, 2016

Respectfully submitted,

Sandra Thompson  
Assistant Secretary



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
OFFICE OF STATE AND LOCAL FINANCE  
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 747-5369  
FAX (615) 741-5986**

**MEMORANDUM**

Date: March 28, 2016

To: Members of the Tennessee State Funding Board (SFB)  
Members of the Tennessee State School Bond Authority (TSSBA)

From: Sandi Thompson, Director of the Office of State and Local Finance (OSLF)

Re: Request for Qualifications (RFQ)/Request for Proposals (RFP) for  
Selection of Bond Counsel for the SFB and the TSSBA

In December 2015, the boards of the SFB and the TSSBA directed staff to develop an RFQ/RFP to seek proposals from prospective firms to provide bond counsel services. To assist the board members in the selection of a bond counsel firm, the process for the RFQ and RFP is summarized below.

OSLF staff prepared a distribution list of bond counsel firm candidates including the top ten nationally-ranked bond counsel firms, as reported by the Bond Buyer for 2015 and selected other firms in large geographic markets that indicated state issuer (GO) and higher education facilities experience in Bond Buyer's Municipal Marketplace Directory (Fall 2015).

OSLF staff then prepared an RFQ and electronically distributed the RFQ on Tuesday, January 12, 2016, to the list of firms as outlined above. Written responses to the RFQ were due by email on Friday, January 29<sup>th</sup>. The proposers were asked in the RFQ to provide three references. Conforming and timely responses were received from eight bond counsel firms. The RFQ responses were distributed to staff representatives of the board members on January 29<sup>th</sup> for their review.

Staff representatives of the board members met on February 16<sup>th</sup> to discuss the RFQ responses and to select a "short list" of bond counsel firms whose submissions were considered to be the most qualified and responsive. Staff determined that these firms would be asked to respond to the RFP. During the discussion, staff representatives of the board members eliminated bond counsel firms that did not demonstrate sufficient experience or that provided a generic, less-personalized response to the RFQ. Staff concluded that the RFP would be distributed to the following four firms: Greenberg Traurig, Hawkins Delafield & Wood, Locke Lord, and Nixon Peabody.

OSLF staff prepared an RFP to be electronically distributed to the “short list” firms. The RFP was distributed on Wednesday, February 17<sup>th</sup> along with a request for input on the terms of the proposed pricing structure for SFB and TSSBA. The proposers were asked to respond with any questions regarding the RFP and/or comments on the terms of the proposed pricing structure by Monday, February 22<sup>nd</sup>. No substantive comments were received regarding the terms of the proposed pricing structure. Written proposals to the RFP were due on Friday, February 26<sup>th</sup>. Conforming and timely responses were received from all four firms and were distributed to staff representatives of the board members for their review.

A request for pricing proposal was electronically distributed to the four firms on Monday, February 29<sup>th</sup>. Responses to the request for pricing proposal were due on Friday, March 18<sup>th</sup>.

Staff representatives of the board members met on Monday, March 7<sup>th</sup> to discuss the RFP responses. Staff representatives of the board members were asked to evaluate each law firm for its strengths and weaknesses based on the RFQ and RFP responses. This information was collected and compiled in a chart and is included as **Attachment A – Strengths and Weaknesses**. During the discussion, staff representatives of the board members agreed and concluded that three of the law firms provided more specific and less generic in nature responses to the RFP and RFQ and specifically addressed the needs and concerns of the SFB and the TSSBA; therefore, one of the firms was placed in reserve, for further consideration only if a satisfactory pricing arrangement could not be achieved with one of the other three firms.

Over a period of two weeks, staff contacted and confirmed the references provided by the firms in response to the RFQ, and based on those contacted, noted there were no negative responses from the references. In addition, staff conducted a brief and informal discussion with the three law firms regarding the structure of its proposed legal team. Staff concluded that the structure of the three legal teams would provide adequate coverage of bond counsel services for the SFB and the TSSBA.

Conforming and timely responses to the request for pricing proposal were received from the firms on Friday, March 18<sup>th</sup>. In order to ensure that the pricing received from each law firm was comparable, staff created a scenario with certain assumptions to be applied consistently each year for the full five-year contract period. The assumptions along with the pricing results are included as **Attachment B – Analysis of Pricing Proposals**.

The RFP process was designed to enable the boards to finalize the selection of a firm by early April to serve pursuant to a five-year contract commencing May 1, 2016. Staff is continuing to work on a proposed form of contract to be adjusted to reflect any terms negotiated with the chosen firm. The draft of the engagement agreement for bond counsel is included as **Attachment C – Proposed Form of Contract**.

Please let us know if you need any more information in addition to that which is summarized in the attachments in order to assist you in the selection process.

Staff representatives of the board members:

Angela Scott – Finance and Administration  
Susan Irby – Finance and Administration  
Keith Boring – Secretary of State  
Whitney Goetz - Treasurer  
Ann Butterworth – Comptroller  
Sandi Thompson - Comptroller

Dick Tracy – Board of Regents  
Ron Maples – University of Tennessee  
Kayla Carr - Comptroller  
Jacque Felland - Comptroller  
Cindy Liddell - Comptroller  
David Burn – Office of the Attorney General  
Sharon Schmucker – Comptroller

# ATTACHMENT A - STRENGTHS AND WEAKNESSES

	Strengths	Weaknesses	Number of Attorneys on Proposed TN Team	Number of Attorneys in Public Finance Group	State (GO) Issuers Selected as Bond Counsel	State (GO) Issuers Selected as Bond Counsel
Greenberg Traurig	<p>In-person client training free of charge</p> <p>Thorough and insightful response to question in RFP regarding privatization of state facilities</p>		7	45	<p>Commonwealth of Puerto Rico</p> <p>State of Florida</p>	<p>Arizona Health Facilities Authority</p> <p>Illinois Finance Authority</p> <p>California Pollution Control Financing Authority</p> <p>Iowa Finance Authority</p> <p>California Statewide Communities Development Authority</p> <p>Massachusetts Development Finance Agency</p> <p>Delaware Economic Development Authority</p> <p>Public Finance Authority</p> <p>Florida Development Finance Corporation</p> <p>Illinois Housing Development Agency</p> <p>Florida Housing Finance Corporation</p>
Hawkins, Delafield, & Wood	<p>Continuity (institutional knowledge base) and ease of transition to new contract</p> <p>Thorough response in RFP regarding due diligence process</p> <p>Thorough and insightful response to question in RFP regarding privatization of state facilities</p>	<p>Issuers not necessarily made aware ahead of time if primary contact will be out of office</p>	8	80	<p>State of California</p> <p>State of Connecticut</p> <p>State of Hawaii</p> <p>State of Oregon</p>	<p>NYS Dormitory Authority</p> <p>Oregon Dept. of Admin. Services</p> <p>Connecticut Health &amp; Education Facilities Authority</p> <p>California Municipal Finance Authority</p> <p>New Hampshire Health &amp; Education Facilities Authority</p> <p>Rutgers - The State University</p> <p>Maine Health &amp; Education Facilities Authority</p> <p>California Statewide CDA</p> <p>California Education Facilities Authority</p> <p>Rhode Island &amp; Providence Plant.</p> <p>Oregon School Bonds Association</p> <p>Maine Municipal Bond Bank</p>

	Strengths	Weaknesses	Number of Attorneys on Proposed TN Team	Number of Attorneys in Public Finance Group	State (GO) Issuers Selected as Bond Counsel	Unique Bond Issuers - Selected as Bond Counsel
Locke Lord		Responses to Questions for RFP were generic	5	53	State of Maine  State of New Hampshire	Massachusetts Development Finance Agency Laconia (QZAB)  Otis (GO New Clean Renewable Energy Bonds) Belchertown (QECB)  Ashland (QECB) Boston (QSCB)  Essex North Shore Ag. & Tech. School District (QECB) Shelby County, TN  Vermont Economic Development Authority  South Hadley (QECB)
Nixon Peabody	Substantive new ideas/suggestions for tax questionnaires in response to RFP		10	35	Commonwealth of Massachusetts	Dormitory Authority of State of New York Educat'l Services of America, Inc. (not-for profit)  Massachusetts Development Finance Agency Loudon County, VA  Rhode Island Infrastructure Bank Several local governments in California  Massachusetts Water Pollution Abatement Trust  New York State Environmental Facilities Corp.  Educat'l Funding of the South (not-for profit)

**ATTACHMENT B - ANALYSIS OF PRICING PROPOSALS**  
**Summary**

<b>ANNUAL CONTRACT TOTALS</b>						
	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Year 5 Total	Total Contract
Greenberg Traurig	\$ 356,500	\$ 356,500	\$ 356,500	\$ 356,500	\$ 356,500	\$ 1,782,500
Hawkins, Delafield, & Wood	\$ 301,750	\$ 301,750	\$ 301,750	\$ 323,150	\$ 323,150	\$ 1,551,550
Nixon Peabody	\$ 415,000	\$ 427,210	\$ 439,460	\$ 451,770	\$ 464,145	\$ 2,197,585

<b>FIVE YEAR TOTALS BY ISSUER</b>				
	RETAINER	FUNDING BOARD	TSSBA	TOTAL CONTRACT
Greenberg Traurig	\$ 250,000	\$ 766,250	\$ 766,250	\$ 1,782,500
Hawkins, Delafield, & Wood	\$ 225,000	\$ 638,275	\$ 688,275	\$ 1,551,550
Nixon Peabody	\$ 238,905	\$ 979,340	\$ 979,340	\$ 2,197,585

**Assumptions for the scenario used in the analysis above:**

- 1) Includes proposed annual retainer which covers 100 hours plus 5% overage (which would not be billed) for a total of 105 hours. The retainer will be divided between the State Funding Board and the Tennessee State School Bond Authority.
- 2) Assumes that each Issuer incurs hourly charges for 45 hours each year (10 hours at the Partner rate, 15 hours at the Associate rate, and 20 hours at the Paralegal rate) across all five years. This could be either for a special project or for general consultation in excess of the retainer.
- 3) Assumes the issuance each year of \$350 million tax-exempt new money/refunding bonds for each Issuer across all five years.

## ATTACHMENT C – PROPOSED FORM OF CONTRACT

### TENNESSEE ISSUER ENGAGEMENT AGREEMENT FOR BOND COUNSEL

This Agreement is made effective as of May 1, 2016, between \_\_\_\_\_, a \_\_\_\_\_ with an office in \_\_\_\_\_ (“Bond Counsel”), and the \_\_\_\_\_ (“Issuer”) through the Comptroller of the Treasury for the State of Tennessee (“Comptroller”) in his role as Secretary to the Issuer, to define the scope of services to be provided by Bond Counsel and to set compensation for such services.

#### **A. Scope of Work**

Bond Counsel’s primary responsibility to the Issuer shall be to render objective approving opinions with respect to the authorization and issuance of bonds, notes issued in anticipation of such bonds and tax revenue anticipation notes (collectively, the “Obligations”) by the Issuer. The opinions will express: (1) that the Obligations have been properly authorized, issued and are valid; (2) that the sources of security for the Obligations have been legally provided for; (3) that interest on the Obligations is excludable from gross income for federal tax purposes for Obligations sold as tax exempt; (4) that the Obligations and the interest thereon are free from taxation by the State or any of its subdivisions; and (5) other matters as may be required by the issuance of the Obligations and as may be determined necessary by the Issuer.

In rendering the referenced opinions, Bond Counsel will prepare or participate in the preparation of: (1) authorizing resolutions of the Issuer; (2) one or more general bond resolutions or amendments to existing general bond resolutions; (3) resolutions authorizing issues of specific Obligations; (4) such other documents as may be required by the issuance of the Obligations or considered necessary for rendering an approving opinion or as may be otherwise determined necessary; and (5) the forms of all closing documents, certificates and opinions of counsel as may be required by the terms of the issuance of the Obligations, applicable federal and state laws, and as may otherwise be determined necessary.

Bond Counsel will also participate with the Issuer, staff from the Comptroller’s Office of State and Local Finance staff (“OSLF”), the Office of Attorney General and Reporter for the State of Tennessee (“AG”), Issuer’s financial advisor and, if appropriate, the underwriter or purchaser and its counsel, as well as any credit enhancer and its counsel, in structuring any issuance. Bond Counsel will also participate in the preparation and review of the Preliminary Official Statement and the Official Statement and will prepare the sections summarizing (1) state and federal law pertinent to the validity of the Obligations and the tax treatment of interest paid thereon; (2) the terms of the Obligations; (3) the resolutions; and (4) the approving opinions. Bond Counsel will assist OSLF and AG in reviewing and updating program documents to maintain compliance with federal tax law.

Bond Counsel’s secondary responsibility will be to provide the Comptroller, OSLF and AG legal advice related to debt issuance and federal tax issues.

#### **B. Fees and Billing Procedures**

##### **I. Issuance of Obligations**

Issuer shall compensate Bond Counsel for services on a comprehensive basis, with all expenses included. There will be no reimbursement for out-of-pocket expenses or for travel expenses in connection with the issuance of Obligations. A single fee per transaction shall be due regardless of whether the transaction is a negotiated sale, a private placement or a competitive sale, or whether multiple series of Obligations are issued simultaneously (if treated as one issue for tax purposes). The all-inclusive fee, per transaction, shall be as follows:

Date-date	\$ _____ each
Date-date	\$ _____ each



## ATTACHMENT C – PROPOSED FORM OF CONTRACT

The Issuer's responsibility to compensate for bond counsel services is contingent on a successful closing of the issuance of an Obligation. Bond Counsel shall submit a statement, including backup documentation, at the Comptroller's request, substantially in the form attached at or immediately after closing which will be payable at that time. However, if the issuance of an Obligation is not closed and Bond Counsel has worked more than \_\_\_ hours on such unsuccessful issuance, then the Issuer, may, in its discretion make a flat fee payment of up to \$\_\_\_ to Bond Counsel as partial compensation for the hours worked by Bond Counsel on such unsuccessful issuance.

### II. Quarterly Retainer

Issuer shall pay Bond Counsel a quarterly retainer in the amount of \$\_\_\_\_\_, with an expectation that no more than \_\_\_\_\_ hours of legal assistance per quarter (three months) will be required. Should the actual hours required exceed \_\_\_\_\_ hours for \_\_\_ quarters in a row, the parties agree to work towards a mutually satisfactory solution of either a reduction in assistance requested or an increase in retainer amount.

### III. Special Projects

Bond Counsel may be engaged on "Special Projects" (which may include, but are not limited to, *research on or analysis of tax or compliance issues*). Bond Counsel will only provide legal services on Special Projects at the direction, and with the prior written/documented approval, of the Comptroller, including an agreed upon maximum cap. There will be no reimbursement for out-of-pocket expenses or travel expenses in connection with Special Projects, unless approved by the Comptroller in advance. Any travel expense must comply with the state's travel regulations (<http://ts.gov/finance/topic/fa-travel>).

Issuer shall compensate Bond Counsel for Special Projects at the following hourly rates:

Date – date

Date– date

### IV. Total Compensation

The fee for issuance of Obligations, the monthly retainer fee, and fees for Special Projects as stated herein shall constitute the entire compensation due Bond Counsel for fulfilling its duties and for services performed pursuant to this Agreement regardless of the difficulty, hours worked, materials or equipment required. These fees include, but are not limited to, all applicable taxes, fees, overhead, profit and all other direct and indirect costs incurred or to be incurred by Bond Counsel. Payment of an invoice shall not prejudice the Issuer's right to object to or question any invoice or matter in relation thereto. Such payment by the Issuer shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs invoiced therein. Bond Counsel's bill shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Issuer not to constitute allowable costs.

### C. Staffing

This Agreement is expressly contingent on the following staffing arrangements:

## ATTACHMENT C – PROPOSED FORM OF CONTRACT

Lead attorney and principal day-to-day contact person; coordinator of the provision of Additional Services:

Additional attorneys:

Lead tax attorney:

Bond Counsel agrees that at all times during the term of this Agreement Bond Counsel will insure that an attorney licensed to practice law in the State of Tennessee will be involved in all analyses and opinions regarding the Tennessee Constitution and Tennessee law arising in the course of Bond Counsel's performance under this Agreement. Ms./Mr. \_\_\_\_\_ (Tennessee Bar Number: \_\_\_\_\_) is the attorney assigned to fulfill this obligation.

Other persons may be substituted for these named above only with the prior written approval of the Issuer.

### **D. Term of Agreement**

The term of this Agreement shall be from May 1, 2016, to April 30, 2021. The Issuer may terminate this Agreement on thirty (30) days' written notice to Bond Counsel. Bond Counsel may terminate this Agreement on ninety (90) days' written notice to the Issuer. If the Issuer does terminate this Agreement, Bond Counsel will be reimbursed for any work completed under this Agreement prior to the termination date.

### **E. Essential Terms and Conditions**

The parties agree that the following shall be essential terms and conditions of this Agreement:

1. **Prohibition of Illegal Immigrants:** The requirements of Tennessee Code Annotated, Section 12-3-309, et seq., addressing the use of illegal immigrants in the performance of any agreement to supply goods or services to the State of Tennessee, shall be a material provision of this Agreement, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Agreement.
  - a. Bond Counsel hereby attests that Bond Counsel will not knowingly utilize the services of an illegal immigrant in the performance of this Agreement
  - b. Bond Counsel shall maintain records for all personnel used in the performance of this Agreement. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  - c. Bond Counsel understands and agrees that failure to comply with this section will cause imposition of the sanctions contained in Tennessee Code Annotated, Section 12-3-309, which may include a prohibition on contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after discovery of the knowing use of the services of illegal immigrants during the performance of this Agreement.
  - d. For purposes of this Agreement, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Agreement.

## **ATTACHMENT C – PROPOSED FORM OF CONTRACT**

2. Bond Counsel warrants that no part of the compensation provided pursuant to this Agreement shall be paid directly or indirectly to any officer, official or employee of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, sub-contractor, or consultant to Bond Counsel in connection with any work contemplated or performed pursuant to this Agreement.
3. Bond Counsel acknowledges, understands, and agrees that this Agreement shall be null and void if Bond Counsel is, or within six months prior to the date this Agreement is executed has been, or during the term of this Agreement becomes, an employee of the State of Tennessee or if Bond Counsel is an entity in which a controlling interest is held by an individual who is, or within six months prior to the date this agreement is executed has been, or during the terms of this Agreement becomes, an employee of the State of Tennessee.
4. No person on the ground of handicap or disability, race, color, religion, sex, age, or national origin or any other classification protected by the U.S. Constitution, the Tennessee Constitution or federal or state statute, will be excluded from participation in, or denied benefits of, or otherwise subjected to discrimination in the performance of this Agreement, or in the employment practices of Bond Counsel.
5. The parties hereto, in the performance of this Agreement, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that each party is an independent contracting entity and that nothing in this Agreement shall be construed to create an employer/employee relationship or to allow either party to exercise control or direction over the manner or method by which the other party transacts its business affairs or provides its usual services. The officers, officials, employees or agents of one party shall not be deemed or construed to be the officers, officials, employees or agents of the other party for any purpose whatsoever.
6. Bond Counsel, being an independent contractor and not an employee of the State, the Issuer, or the Comptroller, agrees to carry adequate professional liability and other appropriate forms of insurance, including adequate professional liability and other appropriate forms of insurance on Bond Counsel employees, and to pay all applicable taxes incident to this Agreement. The Issuer shall have no liability except as specifically provided in the Agreement.
7. Ownership of all data, material and documentation originated and prepared for the Issuer pursuant to this Agreement shall belong exclusively to the Issuer and shall be subject to public inspection in accordance with state law.
8. If Bond Counsel fails to fulfill in a timely and proper manner its duties under the terms of this Agreement or if Bond Counsel becomes the subject of any legal or financial/securities investigations, audits, or legal actions which in the sole opinion of the Issuer would materially affect or limit Bond Counsel's ability to serve as the Issuer's bond counsel, the Issuer shall have the right to immediately terminate this Agreement and withhold payments in excess of fair compensation for work completed. Notwithstanding the above, Bond Counsel shall not be relieved of liability to the Issuer for damages sustained by virtue of any breach of this Agreement by Bond Counsel.
9. This Agreement may be modified only by written amendment executed by all parties hereto.
10. Bond Counsel shall maintain documentation for all charges against the Issuer under this Agreement. The books, records and documents of Bond Counsel insofar as they relate to work performed or money received under this Agreement, shall be maintained for a period of three (3) full years from date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the Comptroller or his duly appointed representative. The records shall

## ATTACHMENT C – PROPOSED FORM OF CONTRACT

be maintained in accordance with generally accepted accounting principles and at no less than those recommended in the Accounting Manual for Recipients of Grant Funds in Tennessee, published by the Comptroller.

11. Bond Counsel shall not assign this Agreement or enter into subcontracts for any of the work described herein.
12. Bond Counsel shall comply with all applicable federal and state laws and regulations in the performance of its duties under the Agreement.
13. Any notice, request or other document or instrument which may be or is required to be given under this Agreement, shall be in writing and shall be deemed delivered if sent by certified United States mail, return receipt requested, postage prepaid, addressed as follows, or to any other address provided in writing by a Party:

if to Comptroller:

Comptroller  
First Floor State Capitol  
Charlotte Avenue  
Nashville, TN 37243

General Counsel to the Comptroller  
Office of General Counsel  
17th Floor, James K. Polk Building  
Nashville, TN 37243-0273

and

Assistant Secretary, Director of OSLF  
Office of State & Local Finance  
16th Floor, James K. Polk Building  
Nashville, TN 37243-0273

if to Bond Counsel:

\_\_\_\_\_, Esq.  
Law Firm  
123 Street, N.E.  
Suite XYZ  
Somewhere, ST

14. This Agreement shall be interpreted and construed in accordance with the laws of the State of Tennessee. Bond Counsel understands that the Issuer reserves all immunities, defenses, rights or actions arising out of its status as a sovereign state or entity, including but not limited to those under the Eleventh Amendment of the United States Constitution. In addition, any action against the Issuer under this Agreement shall be brought in the Tennessee Claims Commission.
15. Bond Counsel shall disclose to the Issuer existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the Issuer to appreciate the significance of the relationships. Bond Counsel represents that it has not identified any actual or potential conflicts of interest with the Issuer. During the term of this Agreement, Bond Counsel may not represent a party in any claim, dispute, or transaction of any kind that is adverse to the Issuer, the Comptroller or the AG, or their respective officials or employees unless a written waiver is first obtained from the Issuer and the AG. In any case, Bond Counsel will not bring on behalf of another client an action against the Issuer, the Comptroller, or the AG, or their respective officials or employees, unless a written waiver is first obtained from the Issuer and the AG. Bond Counsel has a continuing duty during the term of this Agreement to

**ATTACHMENT C – PROPOSED FORM OF CONTRACT**

disclose to the Issuer any matter in which Bond Counsel represents parties with interests adverse to the Issuer, the Comptroller or the State of Tennessee or which constitute an actual or potential conflict of interest.

BOND COUNSEL, LLP

By: \_\_\_\_\_  
Perry Mason, Managing Partner, \_\_\_\_ Office

THE ISSUER

By: \_\_\_\_\_  
Justin P. Wilson, Comptroller of the Treasury, *Secretary* to the Issuer